

Understanding the influence of changes in physical office layouts on the organisational culture of large organisations

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CERTIFICATE OF ORIGINAL AUTHORSHIP

I, H.L.Kusal Tharinda Nanayakkara declare that this thesis, is submitted in fulfilment of the requirements for the award of PhD in Built Environment, in the Faculty of Design, Architecture and Building at the University of Technology Sydney. This thesis is wholly my own work unless otherwise referenced or acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis. This document has not been submitted for qualifications at any other academic institution. This research is supported by the Australian Government Research Training Program.

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Abstract

The format of physical office layouts has changed significantly since the office was regarded solely as a place of work at a convenient location with permanent desks, chairs and cabins. Challenged by the effects of organisational flexibility and high corporate real estate costs, organisations are increasingly seeking flexibility and operational efficiency in their physical office space and its layout. To date, the literature relating to flexible office environments has focused mainly on their physical characteristics. The full effects of flexible office environments on human reactions to such workspaces and the corporate culture of organisations are not well understood.

The objective of this research is to examine the influence of introducing flexible, unassigned office layouts on the existing organisational culture of organisations. The study is addressed from the perspectives of the management of corporate organisations, their employees and design firms who design non-territorial office spaces. A two-stage, mixed-method research design including quantitative and qualitative approaches was adopted. The first stage included semi-structured, in-depth interviews with 19 large organisations who introduced flexible layouts into their workplaces during the period 2012 – 2017 and 8 design and work strategy firms which designed these spaces. The second stage involved a questionnaire survey of 223 employees of three selected organisations which had experienced office layout changes.

The key finding of this research is that the nature of office layouts has significant implications, not only for the financial characteristics of the organisations such as corporate real estate costs, employee efficiency and productivity, but also for non-financial characteristics such as the corporate culture of the organisation. The results identify major finance-oriented, internal business-oriented, learning and growth-oriented and staff and client-oriented factors affecting organisations' decisions to move to flexible office layouts. The qualitative and quantitative findings of the research identify significant discrepancies in the views of management and employees on the organisations' motives for introducing flexible, non-territorial office layouts. While management emphasised that such changes were introduced to enhance their internal business

activities and learning and growth potentials, the employees had the strong perception that such changes were mainly cost reduction-driven. This raises the importance of comprehensive education and change management programs to educate employees about their new workplaces, motives for changes and expected behaviours in new work layouts.

Most importantly, this research highlights that the nature of workplace designs has a considerable impact on the corporate culture of an organisation and can be used to leverage and change the culture. The research identifies that office space design firms evaluate organisations' existing and preferred cultures in order to implement a space that supports both the desired culture and helps to create an ideal working layout. The results also identify that management feels more optimistic about the influence of such changes on the culture of the organisation than their employees. The findings highlight the importance of meeting employees' preferences for workspaces and working with them closely to understand how they feel about new work layouts, which in turn have the potential to deliver increased employee productivity and satisfaction. However, a noticeable discrepancy between the perceptions of public and private sector employees was identified where public sector employees felt that standardised procedures still governed their actions even in flexible office layouts.

These results emphasise the importance of in-depth examination of the behavioural and attitudinal characteristics of market participants in order to obtain a better understanding of how they create different workplaces and how they interact and behave in these different work layouts. Such an analysis provides the context for a more inclusive understanding of the operation of alternative office layouts.

In conclusion, office layouts in the form of common areas, meeting spaces, and individual workspaces are artefacts that can either support or change the corporate culture of an organisation. Therefore, the critical achievement of workspace design is to integrate the cultures, values and behaviours of employees to meet the ultimate goals of the organisation. The ultimate result will be the enhancement of an organisation's business performance and the bottom line.

Dedication

To

My wife and best friend Dulani for her unwavering love, encouragement and support

over the years, no matter what my pursuits

and

our little angel Pinipa who makes our lives beautiful.

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Table of Contents

CHAPTER ONE - INTRODUCTION	01
1.1 Background to the research	01
1.2 Scope of the research	03
1.3 Research aim and objectives	04
1.4 Research methodology	05
1.4.1 Qualitative approach	06
1.4.2 Quantitative approach	06
1.5 Contribution to knowledge	06
1.6 Thesis outline	08
 CHAPTER TWO - LITERATURE REVIEW – EVOLUTION OF OFFICE LAYOUTS	 11
2.1 Introduction	11
2.2 Importance of physical office layouts	12
2.3 The evolution of office workplace arrangements	14
2.3.1 Traditional office workplace arrangements	15
2.3.2 Key drivers affecting changes in organisations’ office layout requirements	21
2.3.3 Main Flexible workplace arrangements	23
2.3.3.1 Hot-desking and hoteling	24
2.3.3.2 Activity based working	25
2.3.3.3 Coworking spaces	27
2.3.3.4 Virtual offices	28
2.3.3.5 Satellite offices	29
2.3.3.6 Other flexible office arrangements	29
2.4 Advantages and disadvantages of flexible office layouts	30
2.4.1 Advantages	30
2.4.2 Disadvantages	32
2.5 Important aspects when changing office layouts	36

2.5.1	Building specific factors	37
2.5.2	Organisational specific factors	37
2.6	Chapter summary and knowledge gaps	39

CHAPTER THREE - LITERATURE REVIEW - ORGANISATIONAL CULTURE **43**

3.1	Introduction	43
3.2	The nature and scope of organisational culture	44
3.2.1	What is organisational culture?	44
3.2.2	Definitions of organisational culture	45
3.2.3	Elements of organisational culture	47
3.3	Dimensions/theories of organisational culture	52
3.3.1	Different dimensions/theories of organisational culture	52
3.3.2	Competing Value Framework	54
3.4	Changing organisational culture	58
3.5	Research on organisational culture in different disciplines	61
3.6	Chapter summary	64

CHAPTER FOUR - CONCEPTUAL FRAMEWORK FOR THE RESEARCH **65**

4.1	Introduction	65
4.2	Summary of the transformation of physical office layouts	65
4.3	Research questions and conceptual framework for the research	70
4.6	Chapter summary	71

CHAPTER FIVE - RESEARCH METHODOLOGY **72**

5.1	Introduction	72
5.2	Research Methodology.	73
5.3	Qualitative approach.	76
5.3.1	Qualitative data collection method.	76
5.3.2	Data collection instruments.	78
5.3.3	Interview participants.	78
5.3.3.1	Corporate organisation interview participants.	79

5.3.3.2	Design firm interview participants.	81
5.3.4	Implementation of in-depth interviews.	82
5.3.5	Data coding and analysis.	83
5.3.6	Trustworthiness of qualitative findings.	85
5.4	Quantitative Approach.	86
5.4.1	Quantitative data collection method.	87
5.4.2	Construction of data collection instruments.	87
5.4.3	Data collection procedure.	92
5.4.4	Data analysis procedure.	95
5.5	Ethical considerations	97
5.6	Chapter summary	98

CHAPTER SIX - DATA ANALYSIS AND FINDINGS – MANAGEMENT

PERSPECTIVE	100
6.1	Introduction 100
6.2	Main drivers for change in office layouts 101
6.2.1	Expiry of existing lease 103
6.2.2	Increasing collaboration and engagement 104
6.2.3	Increasing employee productivity 106
6.2.4	Enhancing the brand 107
6.2.5	Introducing new technology 108
6.2.6	Attracting and retaining skilled employees 108
6.2.7	Introducing a new organisational culture 109
6.2.8	Increasing employee health & wellbeing 110
6.2.9	Increasing employee satisfaction 110
6.2.10	Reducing costs on corporate real estate 111
6.3	The effect of office layout changes on organisational culture 114
6.3.1	Interview findings 114
6.3.1.1	Was the influence on workplace culture considered in office layout arrangement? 114
6.3.1.2	Organisations' experience with the culture change in new office layouts 120
6.3.2	Quantitative data analysis 124

6.3.2.1 Overall analysis	127
6.3.2.2 Analysis by sector type	130
6.3.2.3 Analysis by industry type	135
6.4 Future of office layout arrangements of large organisations	145
6.5 Chapter summary	150

CHAPTER SEVEN-DATA ANALYSIS AND FINDINGS – EMPLOYEE PERSPECTIVE 153

7.1 Introduction	153
7.2 Nature of case study organisations and the employee survey participants	154
7.3 Influence of office layout changes on the existing organisational culture	156
7.3.1 Case study 1 – Financial sector	158
7.3.2 Case study 2 – Tech industry sector	163
7.3.3 Case study 3 – Government sector	167
7.4 Employee perceptions on the reasons for office layout changes.	172
7.5 Main issues faced by employees in the new workplace arrangements.	174
7.6 Further improvements required in flexible work layouts.	177
7.7 Chapter summary	179

CHAPTER EIGHT-DATA ANALYSIS AND FINDINGS - DESIGN FIRMS' AND WORK PLACE STRATEGY SPECIALISTS' PERSPECTIVES 182

8.1 Introduction	182
8.2 Influence of changing office layout and work practice on organisational culture.	184
8.3 Examines organisation's main requirements for new office layout and work practice.	191
8.4 The office layout arrangement process	194
8.5 Challenges faced by office designers when designing new office layout	204
8.6 Future office layout arrangements.	211
8.7 Chapter summary.	212

CHAPTER NINE-SUMMARY AND CONCLUSIONS 214

9.1	Overview of the research	214
9.2	Key findings of the study	215
9.2.1	Main drivers for physical office layouts changes	216
9.2.2	The influence of office layout changes on the organisational Culture	218
9.2.2.1	Management perspective	218
9.2.2.2	Employee perspective	221
9.2.2.3	Workplace strategy and design firm's perspective	222
9.2.3	Challenges of arranging and occupying new office layouts	224
9.2.4	Measures to enhance the operations in flexible office layouts	225
9.2.5	Decision support model for identifying appropriate office layouts layouts for large organisations	226
9.3	Limitations of the study	231
9.4	Areas for future research	232
9.5	Chapter summary	233
REFERENCES		236
APPENDICES		261

List of Figures

Figure 1.1: Organisation and structure of the research	10
Figure 2.1: Various layout plans in traditional space arrangements	17
Figure 2.2: Layers of flexible working	22
Figure 2.3: Changes in the total demand for space over the years	36
Figure 2.4: Evolution of work practices, office layouts and cultural orientation	41
Figure 3.1: Iceberg model of culture	48
Figure 3.2: Levels of organisational culture	50
Figure 4.1: Evolution of importance of office layouts versus organisational culture	66
Figure 4.2: Relationship between work practices, office layouts and organisational culture	68
Figure 4.3: Conceptual framework for research problem	71
Figure 5.1: Sequential exploratory design	75
Figure 5.2: Qualitative data analysis process	84
Figure 6.1: Office layout change management process from the management point of view	116
Figure 6.2: Consideration of the impact on the culture in the layout change process	119
Figure 6.3: Influence of workplace changes on organisational culture (Entire survey sample)	129
Figure 6.4: Influence on organisational culture – public sector	131
Figure 6.5: Influence on organisational culture – Private sector organisations	133
Figure 6.6: Influence on organisational culture – Finance and insurance sector	137
Figure 6.7: Influence on organisational culture – Professional consultancy organisations	139
Figure 6.8: Influence on organisational culture – Property sector	141
Figure 6.9: Influence on organisational culture - IT, telecommunication and energy sector	143
Figure 7.1: Comparison of organisational culture types in the finance sector existed before and after layout changes from the management and employee perspectives	161

Figure 7.2: Comparison of dimensions of organisational culture in the tech industry organisation before and after the changes – Management vs. employee Perspectives	166
Figure 7.3: Comparison of dimensions of organisational culture in the government sector before and after the changes – Management vs. employee perspectives	170
Figure 8.1: Factors affecting the changes in the organisational culture	189
Figure 8.2: Principles followed when identifying appropriate layout arrangement	192
Figure 8.3: Stages in the office layout design process	195
Figure 8.4: Main factors considered in determining the appropriate layout Structure	196
Figure 8.5: Main challenges when designing new office layouts	205
Figure 9.1: Decision support model for identifying appropriate office layouts	228

List of tables

Table 2.1: Positive effects of workplace innovation	31
Table 2.2: Negative effects of workplace innovation	34
Table 2.3: Changes in organisations' space and layout requirements over the years	35
Table 3.1: Aspects of organisational culture	49
Table 5.1: Profile of corporate organisation's interview participants	80
Table 5.2: Profiles of the design firm interview participants	82
Table 5.3: Summary of main survey questions	89
Table 5.4: Characteristics of survey participants	93
Table 5.5: Employee survey response rates	95
Table 6.1: Previous and new work practices and office layouts	101
Table 6.2: Priority identification table for main reasons to change office layouts	102
Table 6.3: Organisations' experience with culture change with the introduction of new workplaces and work strategies	120
Table 6.4: Characteristics of survey participants	124
Table 6.5: Summary of main survey questions	126
Table 6.6: Dimensions of organisational culture before and after layout changes- (For the entire sample)	127
Table 6.7: Organisational culture types before and after layout changes – Public sector	130
Table 6.8: Changes in organisational culture – Private sector organisations	132
Table 6.9: Summary of dominant organisational culture – Private vs. public sector	134
Table 6.10: Diversity of private sector organisations by industry type	135
Table 6.11: Changes in organisational culture – Finance and insurance sector	136
Table 6.12: Changes in organisational culture – Professional consultancy sector organisations	138
Table 6.13: Changes in organisational culture - Property sector	140
Table 6.14: Changes in organisational culture - IT, telecommunication and energy sector	142
Table 6.15: Summary of dominant organisational culture – Industry wise	144

Table 7.1: Characteristics of the survey respondents	156
Table 7.2: Summary of main survey questions	157
Table 7.3: Changes in organisational culture in the finance organisation with office layout changes	158
Table 7.4: Comparison of organisational culture types in the finance sector existed before and after layout changes from the management and employee perspectives	160
Table 7.5: Changes in organisational culture in the tech industry organisation with office layout changes	163
Table 7.6: Comparison of dimensions of organisational culture in the tech industry organisation before and after the changes – Management vs. employee Perspectives	165
Table 7.7: Changes in organisational culture in the government sector with office layout changes	168
Table 7.8: Comparison of dimensions of organisational culture in the government sector before and after the changes – Management vs. employee perspectives	169
Table 7.9: Employee perceptions on the reasons for office layout changes	173
Table 7.10: Main issues faced by employees in the new workplace arrangements	175
Table 7.11: What can be measures to enhance the operation of flexible workplaces	178
Table 8.1: Profiles of design and work strategist firm interviewees	184
Table 9.1: Comparison between the management and employee perceptions on office layout change motives	216
Table 9.2: Culture changes with layout changes (public vs. private sectors)	219
Table 9.3: Culture changes with layout changes (Analysis by industry type)	220
Table 9.4: Culture type changes with the introduction of flexible office layouts	221

List of Appendices

- Appendix 1 Participant information sheet – The management of organisations
- Appendix 2 Interview Protocol – The management of organisations
- Appendix 3 The management survey
- Appendix 4 Participant information sheet – Design and work strategy firms
- Appendix 5 Interview Protocol – The design and work strategy firms
- Appendix 6 Consent forms – Management and design and work strategy
firm interviews
- Appendix 7 Participant information sheet – The employee survey
- Appendix 8 The employee survey